



RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2009-10/199

A. P. (DIR Series) Circular No. 13

October 29, 2009

To

All Category – I Authorised Dealer Banks

Madam / Sir,

Opening of Diamond Dollar Accounts (DDAs) - Modification

Attention of Authorised Dealer Category - I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 51](#) dated February 13, 2009 delegating powers to AD Category-I banks to open and maintain DDAs by eligible firms and companies subject to certain terms and conditions. A reference has been made in the said circular to Para 4A.19 of the Foreign Trade Policy 2004-2009 issued by the Government of India in terms of which firms and companies dealing in purchase/ sale of rough or cut and polished diamonds/ precious metal jewellery plain, minakari and/ or studded with/ without diamond and/ or other stones, with a track record of at least 3 years in import/ export of diamonds/ coloured gemstones/ diamond and coloured gemstones studded jewellery/ plain gold jewellery and having an average annual turnover of Rs.5 crores or above during preceding three licensing years, are allowed to open Diamond Dollar Accounts (DDAs).

2. The Government has since relaxed the eligibility criteria of the track record of at least 3 years to 2 years and the average annual turnover of Rs.5 crores or above to Rs. 3 crores or above during preceding three licensing years. A copy of the Notification No. 96 (RE-2008)/ 2004-2009 dated March 13, issued by the Government in this regard is annexed.

3. Authorised Dealer Category–I banks may note the revised eligibility criteria notified by the Government while permitting eligible firms and companies to open and maintain DDAs with them. They are also advised to be guided by Foreign Trade Policy (FTP) in force from time to time, in future.
4. The other terms & conditions mentioned in the A.P. (DIR Series) Circular No. 51 dated February 13, 2009 remain unchanged.
5. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
6. The directions contained in this circular have been issued under Section 10 (4) and 11 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(D. Mishra)

Chief General Manager

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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE

NOTIFICATION No. 96(RE-2008)/2004-2009

New Delhi, Dated the 13th March, 2009

S.O (E) – In exercise of powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (No. 22 of 1992) read with Para 1.3 of the Foreign Trade Policy, 2004-2009 (as amended from time to time), the Central Government hereby makes the following amendment in Foreign Trade Policy:

1. The first sub paragraph of Paragraph 4A.19 stands replaced by the following clause:

Firms and companies dealing in purchase/ sale of rough or cut and polished diamonds/precious metal jewellery plain, minakari and / or studded with / without diamond and/or other stones, with a track record of at least two years in import or export of diamonds / coloured gemstones/ diamond and coloured gemstones studded jewellery / plain gold jewellery, and having an average annual turnover of Rs. 3 crores or above during preceding three licensing years, may also carry out their business through designated Diamond Dollar Accounts (DDA).

This issues in Public Interest.

Sd/-

(R.S. GUJRAL)
DIRECTOR GENERAL OF FOREIGN TRADE
AND EX-OFFICIO ADDITIONAL SECRETARY TO THE GOVT. OF INDIA

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